

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

PAID SEARCH ENGINE TOOLS, LLC,	)	
	)	Case No. _____
Plaintiff,	)	
v.	)	
	)	
GOOGLE, INC. and	)	<b>JURY TRIAL DEMANDED</b>
MICROSOFT CORPORATION,	)	
	)	
Defendants.	)	

**COMPLAINT AND DEMAND FOR PATENT INFRINGEMENT**

Plaintiff Paid Search Engine Tools, LLC ("PSET"), complains against the Defendants Google, Inc. ("Google") and Microsoft Corporation ("Microsoft") as follows:

**NATURE OF THE ACTION**

1. This is an action for patent infringement and arises under the Patent Laws of the United States, Title 35, United States Code.

**THE PARTIES**

2. PSET is a corporation existing under the laws of Ohio.

3. On information and belief, Google is a corporation existing under the laws of Delaware with its principal place of business at 1600 Amphitheater Parkway, Mountain View, California 94043. Google is qualified to do business in the State of Texas, Filing No. 800735694, and has appointed Corporation Service Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701, as its agent for service of process.

4. On information and belief, Microsoft is a corporation existing under the laws of Washington with its principal place of business at One Microsoft Way, Redmond, Washington 98052. Microsoft is qualified to do business in the State of Texas, Filing No. 10404606, and has appointed Corporation Service Company, 701 Brazos Street, Suite 1050, Austin, Texas 78701, as its agent for service of process.

### **JURISDICTION AND VENUE**

5. This is an action for patent infringement and arises under the Patent Laws of the United States, Title 35, United States Code. Federal question jurisdiction is conferred pursuant to 28 U.S.C. §§ 1331 and 1338(a).

6. Both Google and Microsoft do substantial, continuous and systematic business in the State of Texas, including the Eastern District of Texas and within the jurisdiction of the Marshall Division of the United States District Court for the Eastern District of Texas, have purposefully directed activities to residents of the State of Texas and have committed acts of infringement in this District. Accordingly, this Court has personal jurisdiction over both Google and Microsoft.

7. Venue is proper in this judicial district under 28 U.S.C. §§ 1391(b)-(c), and 1400(b).

### **BACKGROUND FACTS**

8. On July 5, 2011, the United States Patent and Trademark Office issued United States Letters Patent No. 7,974,912, entitled "Paid Search Engine Bid Management" ("the '912 Patent"). A copy of the '912 as available from the U.S.P.T.O. web site is attached as Exhibit A.

9. The '912 Patent issued from U.S. Patent Application No. 11/379,897, filed April 24, 2006, which is a continuation application of U.S. Patent Application No. 10/324,802, filed Dec. 20, 2002, which issued as U.S. Letters Patent No. 7,043,450 ("the '450 Patent"). The '912 Patent claims priority to U.S. Patent Application No. 60/215,936, filed July 5, 2000. The '450 Patent was subject to a litigation pending before Chief Judge David Folsom in the United States District Court for the Eastern District of Texas styled *Paid Search Engine Tools, LLC v. Yahoo Inc., Google, Inc., and Microsoft Corp.*, Case No. 07-cv-403. That case is currently on appeal before the U.S. Court of Appeals for the Federal Circuit, Case No. 2011-1281.

10. PSET holds all right, title and interest in and to the '912 Patent with full rights to pursue recovery of royalties or damages for infringement of the '912 Patent, including full rights to recover past and future damages.

**Count I - Infringement of U.S. Letters Patent No. 7,974,912**

11. The allegations of paragraphs 1-10 are incorporated by reference as though fully set forth herein.

12. Google is directly infringing the '912 Patent by making, using, selling or offering for sale products and services utilizing Google's AdWords product that employ the method(s) claimed by the '912 Patent without license or permission from PSET to the injury of PSET. Google is liable for its infringement of the '912 Patent pursuant to 35 U.S.C. §271(a).

13. Microsoft is directly infringing the '912 Patent by making, using, selling or offering for sale products and services utilizing Microsoft's Bing product that employ the method(s) claimed by the '912 Patent without license or permission from PSET to the injury of PSET. Microsoft is liable for its infringement of the '912 Patent pursuant to 35 U.S.C. §271(a).

WHEREFORE, Plaintiff prays for relief against Google and Microsoft as follows:

- A. That a judgment be entered that Google and Microsoft each has infringed United States Letters Patent No. 7,974,912;
- B. That Google and Microsoft, and their respective agents, sales representatives, servants and employees, associates, attorneys, parents, successors and assigns, and any and all persons or entities acting at, through, under or in active concert or participation with either of them, be enjoined and restrained permanently from infringing United States Letters Patent No. 7,974,912;
- C. That a judgment be entered requiring Google and Microsoft each to pay over to PSET all damages sustained by PSET due to such acts of infringement;
- D. That this case be adjudged and decreed exceptional under 35 U.S.C. § 285 entitling PSET to an award of its reasonable attorney fees and that such reasonable attorney fees be awarded;
- E. That PSET be awarded its costs and prejudgment interest on all damages;
- F. That Google and Microsoft each be required to file with the Court within thirty (30) days after entry of the final judgment of this case a written statement under oath setting forth in detail the manner in which Google and Microsoft each has complied with the judgment; and
- G. That PSET be awarded such other and further relief as the Court deems just and proper.

**JURY DEMAND**

Plaintiff hereby demands and requests trial by jury of all issues raised that are triable by jury.

Respectfully submitted,

Dated: July 4, 2011

/s/ Elizabeth L. DeRieux

S. Calvin Capshaw, III  
State Bar No. 03783900  
ccapshaw@capshawlaw.com  
Elizabeth L. DeRieux  
State Bar No. 05770585  
ederieux@capshawlaw.com  
CAPSHAW DERIEUX, LLP  
114 E. Commerce Street  
Gladewater, Texas 75647  
(903) 236-9800  
(903) 236-8787 (fax)

Attorneys for Plaintiff  
Paid Search Engine Tools, LLC

OF COUNSEL:

J. Robert Chambers, Esq.  
OH State Bar No. 0003942  
bchambers@whepatent.com  
Paul J. Linden, Esq.  
OH State Bar No. 0083699  
plinden@whepatent.com  
WOOD, HERRON & EVANS, L.L.P.  
2700 Carew Tower  
441 Vine Street  
Cincinnati, Ohio 45202-2917  
(513) 241-2324  
(513) 241-6234 (fax)

Gregory M. Utter, Esq.  
OH State Bar No. 0032528  
gutter@kmklaw.com  
W. Jeffrey Sefton, Esq.  
OH State Bar No. 0075671  
jsefton@kmklaw.com  
KEATING, MUETHING & KLEKAMP, PLL  
One East Fourth Street  
Suite 1400  
Cincinnati, OH 45202  
(513) 579-6400  
(513) 579-6457 (fax)

Attorneys for Plaintiff  
Paid Search Engine Tools, LLC